

Message Text

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16

ACTION EB-11

INFO OCT-01 EUR-25 IO-15 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4488

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

C O N F I D E N T I A L LONDON 11418

E.O. 11652: XGDS;1

TAGS: ETRD, GATT, EEC, US, UK

SUBJECT: ARTICLE XXIV:6 NEGOTIATIONS

REF: A) EC BRUSSELS 5574; B) THE HAGUE 4252

C) STATE 193445

1. PETER GENT, THE OFFICIAL AT DTI WHO IS RESPONSIBLE
FOR THE ARTICLE XXIV:6 NEGOTIATIONS, TOLD US ON
OCTOBER 3 THAT THE COMMISSION'S NEW PROPOSAL FOR AN
OFFER TO THIRD COUNTRIES (SEE REF A) IS NOT LIKELY
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TO BE RADICALLY DIFFERENT FROM THE ONE THAT HAS BEEN

UNDER DISCUSSION SINCE JULY. THE COMMISSION INTENDS TO CONSULT EXTENSIVELY WITH THE MEMBER STATES, GENT SAID, IN ORDER TO DETERMINE THE AMOUNT OF GIVE THAT EXISTS ON INDIVIDUAL ITEMS. ON THIS BASIS, IT WILL PUT TOGETHER A PACKAGE DESIGNED TO BE READILY ACCEPTABLE TO THE NINE. GENT CONSIDERS IT POSSIBLE THAT THE COMMISSION'S PROPOSAL WILL BE COMPLETED BEFORE THE OCTOBER 15-16 MEETING OF THE COUNCIL, BUT HE DOUBTS THAT THE COUNCIL WILL BE IN A POSITION TO ACT ON IT AT THAT MEETING.

2. DURING OUR CONVERSATION, WE MADE THE POINTS IN REF C CONCERNING THE IMPORTANCE THAT THE U.S. ATTACHES TO A PROMPT AND SATISFACTORY SETTLEMENT. GENT SAID THAT THE UK HAD RECEIVED NO INDICATION THAT THE U.S. WAS ATTACHING ANY LESS URGENCY TO THE NEGOTIATIONS.

3. GENT MADE THE FOLLOWING POINTS REGARDING INDIVIDUAL ITEMS ON THE COMMISSION'S LIST. ON CITRUS, HE SAID THAT THE FRENCH ARE NOW PREPARED TO ACCEPT THE COMMISSION'S PROPOSALS ON ORANGES AND GRAPEFRUIT. THE UK IS STILL PUSHING THEM TO AGREE TO A PROPOSAL COVERING MARCH, APRIL AND MAY, ITALY, HOWEVER, IS STILL OPPOSED TO THE COMMISSION'S ORIGINAL PROPOSAL ON ORANGES.

4. GENT SAID THAT ITALY CONTINUES TO BE THE MAIN BARRIER TO AN IMPROVEMENT OF THE COMMUNITY'S OFFER ON TOBACCO. HE ADDED THAT THERE DOES NOT APPEAR TO BE A SOUND ECONOMIC BASIS FOR THIS POSITION, AND SUGGESTED THAT THIS MIGHT BE A GOOD TIME FOR THE U.S. TO RAISE THE PROBLEM OF TOBACCO WITH THE ITALIANS ON AN INFORMAL BASIS. GENT SAID THAT THE FRENCH HAVE CERTAIN TECHNICAL OBJECTIONS TO AN IMPROVEMENT OF THE OFFER ON TOBACCO, BUT THESE SHOULD BE SURMOUNTABLE.

5. GENT SAID THAT THE FRENCH CONTINUE TO OPPOSE ANY IMPROVEMENT ON KRAFT LINER. THE BELGIANS HAVE NOW JOINED THE FRENCH IN OPPOSITION TO THE COMMISSION'S PROPOSAL ON VEHICLES. TWO ITEMS INTRODUCED BY THE UK - LARD AND OUTBOARD MOTORS - WERE NOT WELL RECEIVED BY THE

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OTHER MEMBER STATES. ITALY'S SUGGESTION OF A CONCESSION ON PRUNES HAS MET SOME MODERATE FRENCH OPPOSITION.

6. GENT SAID THAT AT THIS STAGE IN THE DISCUSSIONS, IT IS NOT POSSIBLE FOR THE COMMUNITY TO CONSIDER NEW ITEMS (SUCH AS EXCAVATING MACHINERY, FOR EXAMPLE, OR ELECTRONIC EQUIPMENT). THE UK DOES NOT CONSIDER THAT THE EC OFFER, WHEN IT IS FORMALLY PRESENTED, SHOULD BE

ABSOLUTELY FINAL, HOWEVER. IN THE GIVE-AND-TAKE THAT
IS BOUND TO FOLLOW SUBMISSION OF THIS OFFER, IT MIGHT
BE POSSIBLE TO CONSIDER A FEW NEW ITEMS.

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